

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2370

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 43-221, Arizona Revised Statutes, is amended to
3 read:

4 43-221. Joint legislative income tax credit review committee

5 A. The joint legislative income tax credit review committee is
6 established consisting of the following members:

7 1. Five members of the house of representatives ways and means
8 committee appointed by the speaker of the house of representatives. Not more
9 than three appointees shall be of the same political party.

10 2. Five members of the senate finance committee appointed by the
11 president of the senate. Not more than three appointees shall be of the same
12 political party.

13 B. The committee shall determine the original purpose of existing tax
14 credits and establish a standard for evaluating and measuring the success or
15 failure of the tax credits.

16 1. The standard for evaluating tax credits may include:

17 1. (a) The history, rationale and estimated revenue impact of the
18 credit.

19 2. (b) Whether the credit has provided a benefit to this state
20 including, for corporate tax credits, measurable economic development, new
21 investments, creation of new jobs or retention of existing jobs in this
22 state.

23 3. (c) Whether the credit is unnecessarily complex in the
24 application, administration and approval process.

25 2. TO THE EXTENT PRACTICABLE THE STANDARD FOR EVALUATING TAX CREDITS
26 SHALL INCLUDE A REVIEW OF THE ECONOMIC IMPACT OF THE TAX USING DYNAMIC
27 ANALYSIS OR OTHER TECHNIQUES THAT ESTIMATE THE TAXPAYER BEHAVIORAL CHANGES OR
28 MODIFICATIONS IN PATTERNS OF ECONOMIC ACTIVITY.

1 C. The committee shall review the individual and corporate income tax
2 credits pursuant to the schedule prescribed in section 43-222. The committee
3 shall use the joint legislative budget committee staff and may use the staff
4 of the **DEPARTMENT OF COMMERCE**, department of revenue and legislative council
5 for assistance.

6 D. After completing the review process, the committee shall determine
7 whether the credit should be amended, repealed or retained. If the credit is
8 recommended to be retained or amended, the committee shall recommend that the
9 credit be returned to the income tax credit review schedule prescribed in
10 section 43-222. The next review year shall be the fifth full calendar year
11 following the date the credit was reviewed. The committee shall report its
12 findings and recommendations to the president of the senate, the speaker of
13 the house of representatives and the governor by December 15 of the year that
14 the committee reviews the credit. The committee shall provide a copy of the
15 report to the director of the Arizona state library, archives and public
16 records."

17 Amend title to conform

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3/9/09

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